



March 15, 2021

Testimony Re: Raised Senate Bill No. 357 AN ACT CONCERNING COPAY ACCUMULATOR PROGRAMS AND HIGH DEDUCTIBLE HEALTH PLANS.

Stephanie Amato, President, Connecticut Benefit Brokers, A Chapter of NAHU

Chairman Lesser, Chairwoman Wood, and members of the Insurance and Real Estate committee, my name is Stephanie Amato, and I am president of the Connecticut Benefit Brokers, A Chapter of NAHU (CTAHU). On behalf of my colleagues and members we support Raised Senate Bill 357, An Act Concerning Copay Accumulator Programs and High Deductible Health Plans

First, we want to thank committee leadership and members for raising this legislation this year. As you know, the legislature adopted Public Act 21-14, An Act Prohibiting Certain Health Carriers and Pharmacy Benefits Managers from Employing Copay Accumulator Program.

After the legislation's passage, Connecticut Benefit Brokers identified that it was in violation of IRS regulations on Health Savings Accounts. We reached out to the Department of Insurance and legislative leadership to flag our concerns prior to the legislation's effective date.

The statute, as currently written, inadvertently created a conflict with federal regulations concerning qualified high deductible plans and health savings account eligibility.

Under federal law, counting the amount of financial assistance provided towards the minimum statutory deductible is technically considered disqualifying "first dollar coverage." Therefore, if a participant receives credit for the financial assistance before satisfying their annual deductible, the participant becomes ineligible to contribute to their HSA.

This bill, however, will address the issue by clarifying that cost-sharing requirements apply to high deductible health plans only to the maximum extent that is permitted by federal law.

The Connecticut Benefit Brokers, A Chapter of NAHU supports this fix and once again thanks the committee for raising it.

Thank you for the opportunity to submit these comments.

Stephanie Amato

President, Connecticut Benefit Brokers, A Chapter of NAHU (CTAHU)